

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency

P.O. Box 2415

Washington, DC 20013-2415

Notice FC-16

1951-T

For: State and County Offices

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Annual Statements for Borrowers With Disaster Set-Aside (DSA)

Approved by: Acting Deputy Administrator, Farm Credit Programs



I Overview

A

Background

Because the ADPS transaction is not yet available to process DSA, payments made by borrowers on loans that received DSA have been held in suspense. This has created problems with issuing interest statements to borrowers for tax purposes and obtaining unpaid balances.

B

Purpose

To provide the best service possible, interim software has been developed to run on the System 36 that will allow Ag Credit Teams to:

- calculate the estimated principal and interest paid by borrowers on DSA loans during 1995
- calculate the estimated unpaid principal and interest balance on the loan
- produce annual statements of loan account to be sent to borrowers for tax purposes.

**Note:** The DSA software was broadcasted to County Offices, through the State Office, on January 22, 1996.

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Disposal Date

September 1, 1996

Distribution

State Offices; State Offices relay to County Offices and Ag Credit Teams

**1 Overview (Continued)**

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**C**

**Deadline to  
Send Annual  
Statements**

Because of the short time available for farmers to file income tax returns, Ag Credit Teams must send annual statements to borrowers by February 12, 1996.

In many cases, the St. Louis Finance Office will have to be contacted for assistance in reversing payments or calculating those that fall under the exceptions described in subparagraph 3 B. Ag Credit Teams should consider those that need Finance Office assistance first to meet the February 12th deadline.

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**D**

**Status of ADPS  
DSA Transaction**

The ADPS transaction to process DSA's should be available by March 31, 1996.

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**E**

**Contacts**

Call the FSA National Help Desk at 800-255-2434 for software problems.

For account-related questions, calculations, and exceptions, call either of the following at the St. Louis Finance Office:

- Mary Ann Winans at 314-539-3063
- Janet Marxkors at 314-539-3045.

State Offices can also call Kim Laris, Loan Servicing and Property Management Division, at 202-720-1659, through the Area Office.

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## Instructions for Farm Credit Payments (Continued)

F

**Data for Screen  
PCA94000**

Information for Screen PCA94000 will be obtained from the borrower's ADPS AI Status Screen as of the installment set-aside date and the DSA addendum. Refer to ADPS Status Screens, Volume 3, Book 2, ADPS AI Status Screen, pages 1 and 2, for the item number of each field shown in the "Location and Item" column in the following table. All required fields are identified by "X" in the "Required" column.

Field	Required	Location and Item
Name	X	page 1 (2)
Case	X	page 1 (1)
Loan Number	X	page 1 (6)
Addr	X	page 2 (89)
Addendum Date	X	Addendum
Interest Rate	X	page 1 (31)
Addr		page 2 (93)
Date of Loan	X	page 1 (25)
Date Def. Cancel		page 1 (15)
Addr		page 2 (97)
Zip Code	X	page 2 (90)
Loan Amount	X	page 1 (40)
Date of Last Payment <u>1/</u>		page 1 (32)
Installment Set-Aside Date	X	Addendum
Date of Last Noncash Cr <u>1/</u>		page 2 (43)
Installment Set-Aside Amt.	X	Addendum

Continued on the next page

## Notice FC-16

### 3 Action

#### A

**Information  
Needed to  
Produce Annual  
Statements**

Ag Credit Teams should only have to prepare annual statements for borrowers who made payments in 1995 on loans that received DSA. The Finance Office is sending each servicing office a list of borrowers who have payments held in suspense.

Follow this table to determine which borrowers need annual statements.

Step	Action
1	Determine which borrowers received DSA. This information may be obtained from the application processing card, the 540 Report for those flagged 51-S, or the pending ADPS file that holds a copy of the DSA addendum.
2	<p>Review the latest Finance Office 540 Report, "Date of Last Cash Payment" column, and the list of borrowers who have payments in suspense to determine which borrowers made payments in 1995. These are payments received after the:</p> <ul style="list-style-type: none"> <li>installment set-aside date</li> </ul> <p><b>Note:</b> Installment date is before December 31, 1995.</p> <ul style="list-style-type: none"> <li>addendum date.</li> </ul>
3	<p>For those borrowers identified in step 2, gather the following information:</p> <ul style="list-style-type: none"> <li>ADPS Account Information (AI) Status Screen for each loan as of installment set-aside date</li> </ul> <p><b>Note:</b> This is the due date of the installment that was set-aside.</p> <p><b>Example:</b> 01-01-95</p> <ul style="list-style-type: none"> <li>ADPS Recap/Resequence Screen to show payments and other transactions pending</li> <li>ADPS On-Line Borrower History for each loan to show any activity processed to the account in 1995</li> <li>1994 Annual Statement of Loan Account to show payments processed to the account in 1994</li> </ul> <p><b>Note:</b> This is only needed if the addendum was signed in 1994 and the installment set-aside date preceded the addendum date.</p> <p><b>Example:</b> Addendum date 12-5-94 and installment set-aside date is 1-1-94.</p> <ul style="list-style-type: none"> <li>DSA Addendum for each loan receiving DSA.</li> </ul>
4	<p>Determine if the exceptions identified in subparagraph 3 B apply.</p> <p><b>Note:</b> If the exceptions do not apply, refer to Exhibit 1 for instructions on using the System 36 software.</p>

Continued on the next page

**Instructions for Farm Credit Payments (Continued)**

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**G****Printing Screen  
PCA94000**

After data is entered, use the following table to print the screen.

Step	Action	Result
1	Locate the "Print" key ("Print" is on the left side of the keyboard next to the "Help" key).	
2	Press the "Print" key.	After screen is printed, "X" will display at the lower left of the screen.
3	Press the "Reset" key ("Reset" is 2 places left of the space bar).	"X" will be removed.
4	After printing is completed, PRESS "Enter" to continue.	Borrower Payment Screen PCA95000 will be displayed.
5	PRESS "Cmd3" to return to Screen PCA94000.	Screen PCA94000 will be redisplayed.

**Note:** Screen prints of input data shall be kept in the borrower's file.

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## 3 Action (Continued)

B  
Exceptions  
(Continued)

No.	Exception	Action
2	<p>The addendum date is before the installment set-aside date and payments, cost items, default charges, and credits, or noncash credits were received and held in suspense or processed to the account between these dates.</p> <p><b>Example:</b> Addendum date 1-3-95, installment set-aside date 6-1-95, payment received 5-1-95 that will be applied to 6-1-96 installment.</p>	<p>The Ag Credit Team must FAX a copy of the addendum with a copy of the exception letter (Exhibit 2) to the Finance Office at 1 of the FAX numbers listed in Exhibit 2. The Finance Office will manually calculate the information that goes on the annual statement and FAX a penciled copy back to the Ag Credit Team. The Ag Credit Team must type or print a legible statement to send to the borrower. See Exhibit 1, subparagraph L for instructions on printing blank statements.</p>
3	<p>Default charges and credits were processed to the account for the year of the installment set-aside date and/or the following year. The Finance Office will determine effects of the default charge and advise the Ag Credit Team of the next step.</p>	
4	<p>The account has an unpaid advance (cost item) as verified on the ADPS AI Status Screen, "UNPA" field.</p>	
5	<p>The loan has an active deferral as verified on the ADPS AI Status Screen, "Flag" field as "DEF2".</p>	
6	<p>The loan was affected by a limited resource interest rate change after the installment set-aside date.</p>	

# Instructions for Farm Credit Payments (Continued)

## J

### Annual Statement of Loan Account

Primary Loan Servicing Statement Screen PCE96010 will be displayed after the annual statement has printed. Ensure that the printer is set for 8½- by 11-inch paper.

This table explains the actions to follow when the annual statement is printed.

Step	Action
1	Check to determine whether the annual statement is printed.
2	If not properly aligned, adjust the printer.
3	PRESS "Y" for a new copy.

## K

### Screen PCE96010

Follow this table to complete borrower's file.

Step	Action
1	When Screen PCE96010 displays, PRESS "Y" for a second copy of the annual statement.
2	After the second copy is printed, PRESS "N".
3	PRESS "Enter" to continue.
4	After process has been completed for borrower, a blank Screen PCA94000 will be displayed.
5	Begin to enter data for another borrower.
6	PRESS "Cmd7" after the last borrower's annual statement has been printed to return to Menu FAX250.

**Note:** The second copy of the annual statement shall be kept in the borrower's file.

Continued on the next page

**Exception Letter for DSA Annual Statements****Special  
Instructions**

Prepare the following exception letter and FAX to the Finance Office at 1 of the following FAX numbers:

- 314-539-6117
- 314-539-6447
- 314-539-2765

**DATE:** \_\_\_\_\_

**TO:** USDA, FSA  
Finance Office  
Loan and Investor Accounting Branch

**FROM:** <Ag Credit Team Office Address  
Contact Person  
Telephone number  
FAX number>

**SUBJECT:** Exception - DSA Annual Statements

**BORROWER NAME:** \_\_\_\_\_

**CASE NUMBER:** \_\_\_\_\_

The above named borrower received DSA and made payments in 1995. Attached is a copy of the Disaster Set-Aside Addendum(s) and related documents, if applicable, in order for the Finance Office to manually calculate the annual statement of account for the reason cited below:

- \_\_\_ 1. The addendum date is prior to the installment set-aside date and payments, cost items, default charges, and credits, or noncash credits were received or processed to the account between these dates.
- \_\_\_ 2. Default charges and credits were processed to the account for the year of the installment set-aside date and/or the following year.
- \_\_\_ 3. The account has an unpaid advance (cost item).
- \_\_\_ 4. The loan has an active deferral.
- \_\_\_ 5. The loan was affected by a limited resource interest rate change.
- \_\_\_ 6. Other or special remarks - Describe: \_\_\_\_\_



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**Instructions for Farm Credit Payments (Continued)**


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**D****Menu FAX250**

After Menu FAX250 displays, follow this table.

Step	Action	Result
1	ENTER "9" (for option 9).	
2	PRESS "Enter".	Borrower Data Screen PCA94000, where the borrower data will be entered, will be displayed.

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**E****Screen****PCA94000****Parameters**

When entering data, annotate the following:

- must enter dollars and cents

**Note:** Can be entered with or without decimal before the cents. If decimal is not included, decimal will display 2 places to the left.

**Example:** 30300 is 303.00

- after completing requested field, "Tab" to the next field
- if there is no information for a field, leave the field **blank**
- case number must be 15 digits

**Note:** Can be entered with or without dashes.

- dates that are entered must be 6 digits, 2 digits each for month, day, and year

**Note:** Can be entered with or without dashes.

**Example:** 010195 or 01-01-95

- interest rates shall be 6 digits or 2 digits, decimal ("."), and 4 digits

**Example:** 33.3333

- statements are printed to fit in window envelopes. Therefore, ensure that the borrower's name and complete address are entered correctly in Screen PCA94000.

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## Instructions for Farm Credit Payments (Continued)

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# Instructions for Farm Credit Payments (Continued)

## L

### Actions for Blank Annual Statements

As outlined in this notice, some of the annual statements will require manual calculations. Follow this table to print the blank annual statements that are necessary for this process.

Step	Action	Result
1	On Menu FAX250, ENTER "SLIB PD.PRICE" and PRESS "Enter".	Menu FAX250 remains on the screen.
2	ENTER "PCE960" and PRESS "Enter".	Blank Disbursement Statement Screen PCE96005 will be displayed.
3	Type the number of blank forms that are needed and PRESS "Enter".	Blank form or forms will be printed.
4	PRESS "Cmd7" after printing is completed.	Menu FAX250 will be redisplayed.
5	ENTER "SLIB PD.COMON" if additional borrowers need to be processed through the automated system, and PRESS "Enter".	Menu FAX250 remains on the screen.
6	ENTER "9" (for option 9) and PRESS "Enter".	Screen PCA94000 will be redisplayed.

**Exception Letter for DSA Annual Statements**

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TO: USDA, FSA  
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Loan and Investor Accounting Branch

FROM: <Ag Credit Team Office Address  
Contact Person  
Telephone number  
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SUBJECT: Exception - DSA Annual Statements

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CASE NUMBER: \_\_\_\_\_

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- \_\_\_ 4. The loan has an active deferral.
- \_\_\_ 5. The loan was affected by a limited resource interest rate change.
- \_\_\_ 6. Other or special remarks - Describe: \_\_\_\_\_